UNITED
NATIONS

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Economic and Social
Council

Distr.
GENERAL

E/1993/101
6 July 1993

ENGLISH
Original: ARABIC

Substantive session of 1993
28 June - 30 July 1993
Agenda item 6 (a)

SPECIAL ECONOMIC, HUMANITARIAN AND DISASTER RELIEF ASSISTANCE:
SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

Letter dated 2 July 1993 from the Permanent Representative of Yemen to the United Nations Office at Geneva addressed to the Secretary-General

On the occasion of the substantive session of 1993 of the Economic and Social Council, meeting at Geneva, I have pleasure in transmitting to you a short document summarizing the economic and social difficulties facing the Republic of Yemen (see annex).

I would be grateful if you would distribute this document as a document of the substantive session under item 6 (a) "Special economic, humanitarian and disaster relief assistance: special programmes of economic assistance".

(Signed) Yahya Hamoud GEGHMAN
Ambassador and Permanent Representative at Geneva

GE.93-70095 (E)

Annex

SUMMARY OF THE ECONOMIC AND SOCIAL DIFFICULTIES FACING THE REPUBLIC OF YEMEN

During a very short period of time, Yemen has witnessed a rapid sequence of important historic events that began with the establishment of Yemeni unity in May 1990 and included the application of democratic principles during the three-year transitional stage which culminated in the holding, in April 1993, of the country's first parliamentary elections since the unification. A new Government was formed which is now diligently formulating a general development strategy to deal with the accumulated economic problems, particularly by encouraging the private sector to engage in production and service activities on the understanding that the State will retain responsibility for the basic infrastructure and the social services sector.

It is important to bear in mind the fact that the present Government was formed as a result of the first parliamentary elections held in unified Yemen and that the administrative structure is still in its infancy. Moreover, many of the economic management procedures are not functioning in a fully efficient manner. The new Government also inherited numerous difficulties and problems which urgently require an immediate solution. There is a strong feeling that it is essential to put an end to the recession and the previous period of austerity. Considerable aid will be required in order to achieve this objective.

Donor States, international organizations and other financing institutions could play a role in meeting the country's development needs, as illustrated by the unsatisfactory social indicators, the low standard of performance in many production sectors and the lack of efficiency in some administrative and organizational fields. The providers of external assistance will therefore be called upon to play a significant role in coming years, particularly in regard to the development and enhancement of basic utilities. At the same time, the Government is endeavouring to lay the foundations of an economy that will be more dependent than hitherto on private sector investment and initiatives in general.

The Government of Yemen is still at the mercy of numerous indicators and factors which, in recent years, have halted economic growth in the country. These indicators and factors can be summarized as follows:

1. Following the unification of its two halves, Yemen, which the United Nations classifies as one of the least developed countries, continued to face serious structural imbalances which placed an increasingly heavy burden on the country's Government in its endeavours to carry out its ordinary development-related tasks aimed at relieving poverty due to the tremendous costs arising from the unification process itself. Accordingly, the new Government that was formed after the April 1993 elections in the Republic of Yemen is still facing considerable pressures and major difficulties which are placing a heavy burden on its administrative capacities and financial resources. The difficulties arising from the Gulf war are also still increasing due to the additional economic and social pressures to which Yemen has since been subjected. The numerous factors and difficulties that have helped to create the present crisis include the following:

(a) Unification requires tremendous endeavours to establish new institutions to replace the various systems that formerly existed in the two halves of Yemen;

(b) Unification implies a heavy schedule of legislative and legal work for the establishment of an integrated and unified system. Far-reaching institutional and legislative reforms were indispensable in almost all aspects of economic management;

(c) Unification led to a large schedule of new infrastructural needs, including efficient communications between the two halves of the country and the achievement of equality and complementarity between the two previous systems in fields such as public utilities and the provision of social services.

2. The magnitude of the additional pressures that arose from the Gulf crisis is evident from the fact that the United Nations described Yemen as the country which, after the Hashemite Kingdom of Jordan, was most adversely affected by that crisis. The United Nations estimated the additional burdens placed on Yemen at an amount of $3 billion, i.e., more than 20 per cent of its gross national product.

3. The return of the migrants from neighbouring countries helped to swell the population by 750,000 persons or more, thereby increasing the total labour force by about 15 per cent and total unemployment by about 36 per cent. There was also return migration from war-stricken areas in the Horn of Africa, which also increased the population. These numerous new residents, whom even a relatively wealthy country would have difficulty in absorbing, require access to education, health, housing and other services. There is no doubt that this was tantamount to a disaster in a situation in which the basic services were already largely dispersed and inadequate. The burdens were also increased by the recent arrival of more than 100,000 refugees from the Horn of Africa.

4. The loss of the remittances of the returnees caused a major problem, since they constituted one of the principal means to offset the large external trade deficit. The loss of these remittances also had an adverse impact on local activity and the tax base.

5. Other problems arose in Yemen due to natural disasters, including the prolonged lack of rainfall, which led to desertification and the recent drought in many parts of the country, and the damage caused by earthquakes and floods in various areas of the country during the past two years.

In recognition of the acute social and economic difficulties which Yemen was facing and which subsequently became even more complex as a result of reunification and the far-reaching adverse consequences of the Gulf war, the General Assembly of the United Nations adopted a number of resolutions, including 47/179, 46/174, 45/193 and 45/222, and the Economic and Social Council also adopted resolutions in this regard, including resolutions 1990/65, 1991/62 and 1992/61, as well as a number of decisions, all of which urged donor States and organizations to provide Yemen with assistance and requested the Secretary-General, in collaboration with United Nations organs and agencies and in close cooperation with the

governmental authorities, to formulate a programme for the reconstruction and development of Yemen. Those resolutions also requested the Secretary-General to help in the mobilization of resources and to consider the formulation of a comprehensive programme to evaluate Yemen's post-unification needs with a view to enabling the international community to provide assistance to meet those needs.

In addition to the above, it should be noted that the Republic of Yemen, like its two former halves, will for many years remain largely dependent on aid, ongoing investments and technical assistance from the international community. For many years there has been a substantial deficit in the current balance-of-payments account, amounting on average to about 22 per cent of gross domestic product. Although this deficit has begun to diminish, the Republic of Yemen needs, and for many years will continue to need, large-scale foreign financial aid in order to be able to sustain growth and improve the social standards of its citizens. Since Yemen is classified as a "least-developed country", it will continue to need low-cost external resources, in the form of grants and soft loans, from bilateral and multilateral donors.

During the period immediately preceding unification, there was a large increase in the net transfer of resources from donors. The figure, which does not include remittances from expatriates, rose from $413.2 million in 1986 to $537 million in 1988 and $560 million in 1989. However, this upward trend in the transfer of resources was reversed with effect from 1990 and the figure fell to $390.7 million. At the present time, the levels of foreign aid are insufficient to ensure the rapid rectification of the country's deplorable socio-economic situation. Although the Government intends to mobilize further local resources, Yemen will need high levels of international aid in coming years in order to be able to sustain and improve its overall socio-economic development.

In conclusion, the Government of Yemen believes that support for its long-term development strategy requires a review of the methodology that has hitherto been applied in regard to the magnitude and management of aid.

UNITED
NATIONS

E

Economic and Social
Council

Distr.
GENERAL

E/1993/102*
13 July 1993

Original: ENGLISH

Substantive Session of 1993
28 June-30 July 1993
Agenda item 4 of the high-level segment

CONCLUSION OF THE HIGH-LEVEL MINISTERIAL SEGMENT OF THE ECONOMIC AND SOCIAL COUNCIL (28-30 JUNE 1993)

Summary by Ambassador Juan Somavia, President of the Economic and Social Council

The high-level ministerial segment of the Economic and Social Council noted with appreciation the opening remarks and statement by the President, the statement of the Secretary-General and his report on the World Summit for Social Development.

The Council had an extremely rich debate with a large measure of convergence on the analysis and prognosis of the current world social situation as well as on the preparation of the World Summit for Social Development. The principal elements emerging from the discussions are summarized below:

Political support for the Summit

1. Strong and unanimous political support was expressed for the World Summit for Social Development. Its timing (March 1995), which would launch the fiftieth anniversary of the United Nations, following the end of the cold war and close to the dawn of a new century, was considered particularly opportune. It would deal with real, tangible and complex issues of deep political importance in all societies: increasing employment, reducing poverty and promoting social integration. These are all urgent needs. The Summit would be an historic opportunity for action to advance the goal of "better standards of living in larger freedom" promoted by the Charter of the United Nations.

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* Reissued for technical reasons.

GE.93-70201 (E)

The Summit could help define a new vision of development for all societies focused on the needs of the people. It would be a challenging and difficult task.

The social crisis of the 1990s

2. Considerable attention was paid to the present world social situation. There was general recognition of a worldwide accentuation of social problems. The social crisis of the 1990s was seen to be the result of growing poverty worldwide, particularly in developing countries, generalized spread of unemployment and different expressions of social uneasiness. Social tensions had given rise to internal political instability in many countries and posed potential threats to international peace and security. Unequal development was seen to persist. Deprivation and exclusion were seen as central issues for the Summit. Distribution of wealth and opportunities had become more concentrated. The excluded and the deprived could only be ignored at great peril to the cohesion of the civil society. Social uncertainties at home fostered international migrations. Developed countries had more means to deal with the social crisis than had developing countries, yet all societies were deeply affected by it.

3. The considerable efforts being made by all countries and the United Nations system to address these problems were recognized. It was noted that many successes had been achieved although there had been setbacks as well. The need to share experiences in order to learn from both successes and setbacks was emphasized. Such sharing of experience was seen as an important avenue of productive international cooperation. The preparatory process of the Summit should be organized to promote such cooperation.

New directions in social policies

4. In the light of recent experience, important questions were raised about the efficacy of traditional solutions and approaches. All countries needed new directions in social policies. In developing countries, structural adjustment, though necessary, was seen to carry too high a human cost. The progress achieved in recent years in integrating the social dimension into adjustment programmes was welcomed and the need to achieve much more rapid advance in that direction was stressed. In the transition economies, the problems and difficulties generated in the life of the people by systemic change needed to be addressed by appropriate social policies. In developed countries, slowdown of growth and growth without employment had put great strains on the social welfare systems which had generated "inward-looking" tendencies. Policies that acknowledged the interrelationship between these different problems in a global perspective and fostered equilibrated solutions of interest for all societies were needed. In particular, the need to address the problems arising out of unchecked population growth through agreed global strategies was highlighted.

Putting people first

5. The question of the philosophy and outlook that should underlie new approaches to addressing the social crisis of the 1990s was raised. It was stressed that the spread of poverty, both material and spiritual, called for a

global response. The poverty of indifference and of values should also be taken into account in devising such a response. The sense of insecurity and uncertainty created worldwide by the social crisis suggested a re-examination of material values that had become prevalent and a new vision of human needs. There was general consensus that development and international cooperation should "put people first". This implied a real political commitment to democratic and open systems of governance, respect for human rights in all their manifestations, including rights of workers and the vulnerable and disadvantaged groups. It also involved bringing decision-making closer to the people, especially those who are excluded. Another aspect of values was solidarity within and among nations. This implied a fairer distribution of wealth and incomes, investment in people and a priority for human development in all societies.

An integrated approach

6. Piecemeal policies did not work. The need for an integrated approach bringing together the political, economic, social and environmental dimensions was widely stressed. It was recognized that vigorous economic growth was essential to alleviate and reduce poverty and generate productive employment. Policies for sustainable growth of the global economy were indispensable to address social problems. To this end, a better understanding of the present workings of international economic and trade systems was necessary. Growth was not an end in itself but an instrument for improving the living conditions of the people. There was a need for a balance between economic efficiency and social justice. Social expenditures should be seen as a precondition of economic efficiency and competitiveness. Investment in human resources made good economic sense. This implied a higher priority for creating social infrastructure and providing equal opportunities to all and the protection of vulnerable and disadvantaged groups, namely, children, the elderly and handicapped persons. The role of women was seen as critical in economic and social development and, in particular, for social integration of societies. Strong support was expressed for investment in women to reverse the trends of feminization of poverty and unemployment, to address gender discrimination and to enable them to play their full part in socio-economic development. Investment in women leads to a catalytic and multiplier effect throughout the family, work and social structures.

Role of the State and the market

7. The complementary role of the State and the functioning of the market to put people first was highlighted. The welfare functions of the State, particularly in favour of vulnerable groups, were seen as essential. In addition, the State had a catalytic and facilitating role in creating the conditions for addressing the problems of poverty, unemployment, social integration and sustainable development. At the same time, the essential function of the market and private investment for an efficient allocation of resources and the creation of wealth was generally accepted. Creative ways could be found to address the interaction between the social function of the State, market responses to social demands and the imperatives of sustainable development. There was a clear preference for a pragmatic search for solutions without preconceived ideological notions. The best ideas and the most successful experiences were needed.

Outcome of the Summit - an "Agenda for People"

8. With regard to the outcome of the Summit convened at the level of heads of State and Government, the need for specific, concrete and practical results was emphasized. A number of orientations were identified, including the idea of an "Agenda for People" setting out principles, responsibilities and actions for social development around the world. There should be agreement on a list of specific steps to make multilateral cooperation more effective and give social development a central international role. A common and coherent concept of social development was needed, expressing agreement on some basic social standards to be pursued. The Charter goal of "higher standards of living in larger freedom" could become the organizing principle of the Summit. This implied a reorientation of national and international policies and new forms of international cooperation with agreed goals and agreements on specific actions for their realization. The Summit could adopt a political declaration defining the critical nature of the social crisis together with a global strategy and a plan of action for translating shared values into practical and doable programmes and commitments. The plan of action should unfold over time with short-, medium- and longer-term goals and should not be overloaded. It should be seen as a point of departure for concerted initiatives that would be implemented progressively. A consensus approach to the Summit was crucial.

National responsibilities

9. It was understood that the primary responsibility for social development rested at the national level. It was for each country to set its national social objectives. Common goals could be established recognizing that its implementation was specific to each society. No single social strategy or model of development could be applied to all countries. The need for sound macroeconomic management as well as effective and efficient social policies and well-targeted programmes for the excluded and disadvantaged was emphasized. The adoption of employment-intensive development strategies could generate productive employment which in turn would help reduce poverty and contribute to social cohesion. Employment should become a central objective of investment. Education, skill training and health policies upgraded human capacities and productivity. It was necessary to combine labour market flexibility with adequate social protection, retraining and respect for workers' rights in the process of structural change. An effort to identify new sources of employment and innovative ways of distributing available jobs was necessary. The questions of income distribution and linkages between sustainable development, social progress and good governance would have to be addressed. The adequacy of traditional growth and consumption patterns to solve contemporary problems should be looked into. In developed countries, structural adjustment with a human face was needed not only for domestic reasons but also as a contribution to creating a stable, growth-oriented and sustainable world economy.

International support

10. It was recognized that national efforts at promoting social development should be supported by enhanced international cooperation. A favourable external environment was considered necessary for the success of national policies. In this regard, the problems of the weakest members of the international community, particularly Africa and the least developed countries, required special attention. Greater international action was needed to ensure better access to markets, enhanced financial flows, the alleviation of debt burdens and access to technology. Complementary support was crucial in preserving the democratization and economic reforms undertaken by developing and transition countries. The positive steps taken by the international financial institutions in paying greater attention to the social dimension were recognized and they were encouraged to take further steps to support adjustment strategies with lower social costs.

11. It was noted that in preparation for the Summit it would be necessary to take into account the social problems of the countries in transition as the efficient solution of their problems was important both for the success of the economic reform in these countries and for the prospects of establishing a dynamic, balanced and open world economy.

Resources

12. The question of resources was viewed as a complex one. There was a general awareness of financial constraints faced by all countries. The mobilization and reallocation of resources towards social development were none the less seen as critical to success. A major shift of resources in favour of social progress through sound and balanced policies was considered necessary at both the national and international levels. A whole array of actions could be taken to mobilize resources, both financial and human. A reduction in budget deficits in industrialized countries could help lower international interest rates and spur economic growth. A reduction in military expenditures and their allocation to productive sectors was also suggested. The poor were seen as an important resource which could be tapped by labour- and employment-intensive development strategies. Private resources and voluntary activities could play a major role. An open-minded and creative attitude towards resource issues was needed.

The role of the United Nations system

13. The United Nations system was unanimously recognized as a key instrument for promoting greater understanding and consensus among nations. The system could serve as a catalyst for cooperation and as a source of financial and technical assistance to developing countries for achieving their national objectives in the economic and social fields. In view of its comparative advantage in the social area, the family of specialized agencies and programmes could serve as a social pillar of international cooperation. While the vast array of activities carried out in the United Nations system in the social field was recognized, there was a widely shared view that these were

fragmented and needed greater coherence and effectiveness. The system could provide conceptual and analytical support by developing an integrated framework of common goals and strategies. The need was stressed for closer cooperation between the United Nations and its specialized agencies and the Bretton Woods institutions. In this context, it was suggested that closer relations should be established between the Economic and Social Council and the Development Committee. The role of the International Labour Organisation in the social field was considered critical in view of its mandate in the area of employment and the tripartite approach. The other agencies could also play a very important role in their areas of responsibility: among them, health, education, women, narcotics addiction, habitat, nutrition, children, indigenous people, the disabled, the handicapped, the elderly and disadvantaged sectors in general. Greater regional specificity of social issues should be analysed through the regional commissions of the United Nations system. Regional meetings as part of the preparatory process should be considered. The Summit was a central political event in a series of important international gatherings organized by the United Nations, including the Rio Summit and the conferences on human rights, population and development and women and development, all of them highly relevant to social issues.

14. It was recognized that the securing of durable international peace and security required the underpinning of economic and social progress. The United Nations must accord equal attention to both. It was suggested that the emerging concept of people's security or human security should be analysed in the framework of the Summit. Preventive efforts in the area of peace and security should be complemented by similar efforts in the socio-economic fields. A proposal was made that the Economic and Social Council and the Security Council should meet jointly every year to address this issue. This should be without prejudice to the mandates of the General Assembly and the Economic and Social Council.

15. The Preparatory Committee for the World Summit for Social Development had a central responsibility in finding common grounds of analysis and fostering a spirit of consensus. It should draw away from bureaucratic negotiating styles and develop a policy, action-oriented format to address issues and maximize the potential for agreement. Its methods of work should reflect the political significance of dealing with matters of such vital human importance.

Participation of civil society

16. The role of social actors such as political parties, trade union organizations, business groups, religious denominations, the media, academic circles, voluntary organizations and non-governmental organizations in general was seen as an important component of the effort to promote social development and build civil society through a participatory process. Such social actors were seen not only as part of the process but also as part of the solution and the implementation of the Summit's results. It was important to tap their ideas and be open to proposals coming from them in the preparation for the Summit. Their active involvement would enrich the results.

Multilateral cooperation and political leadership

17. The danger that a continuation of the social crisis could lead to unilateral or closed regional actions was highlighted. Such an approach, which did not work in the 1930s, had even less chance of being successful in the global and interdependent world of the 1990s. There was no real substitute for multilateral cooperation. It was a collective responsibility to make it work. It would be necessary for all countries to marshal the political will for genuine international cooperation for addressing the core issues of the Summit. In the framework of present uncertainties people needed a sense of direction. It was the task of political leadership to explain the need for international coordination and cooperation. The early involvement of heads of State and Government in the preparatory process was essential. Supportive public opinion was crucial to the success of the Summit. The Secretary-General of the United Nations had a major leading role to play in marshalling public awareness of and commitment to the World Summit for Social Development.

UNITED
NATIONS

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Economic and Social
Council

Distr.
GENERAL

E/1993/103
9 July 1993

Original: ENGLISH

Substantive session of 1993
Geneva, 28 June - 30 July 1993
Agenda item 19

SOCIAL DEVELOPMENT

Note verbale dated 6 July 1993 from the Permanent Mission of the Islamic Republic of Iran to the United Nations and other international organizations at Vienna addressed to the Director-General of the United Nations Office at Vienna

The Permanent Mission of the Islamic Republic of Iran to the United Nations and other international organizations at Vienna presents its compliments to the Director-General of the United Nations Office at Vienna, and, referring to the Ninth United Nations Congress on Crime Prevention and the Treatment of Offenders, in 1995, has the honour to advise the following:

The Islamic Republic of Iran, during the first session of the Commission on Crime Prevention and Criminal Justice, in 1992, presented its offer to act as host for the Ninth United Nations Congress on Crime Prevention and the Treatment of Offenders, in 1995. This offer was reiterated during the second session of the Commission, in 1993, by its delegation.

During the second session of the Commission, two countries from Africa also announced their willingness to host the Congress. They stated that, so far, such congress had not been held in Africa, and emphasized that hosting such a congress in Africa was a very important issue, bearing in mind that preference should be given to the region that had not yet hosted a congress on crime.

Much emphasis has always been placed on Africa in the foreign policy of the Islamic Republic of Iran, and therefore priority should be given to this continent. Thus, regarding the latest development, the Government of the Islamic Republic of Iran withdraws its offer to host the Ninth Congress, in 1995, in favour of Africa, while announcing its willingness to host the Tenth Congress in Tehran in the year 2000.

The Mission requests the circulation of this note officially among the members of the Commission on Crime Prevention and Criminal Justice, as well as among the members of the Economic and Social Council.